

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
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Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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FOR IMMEDIATE RELEASE
Dec. 13, 2006

Mortgage Solicitor Admits Fraud and Tax Evasion

(More)

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NEWARK – A former Wayne resident who operated a mortgage and reality business pleaded guilty today to tax evasion, admitting that he failed to report to the IRS nearly \$836,500 of income, a portion of which represented proceeds from fraudulent mortgage transactions, U.S. Attorney Christopher J. Christie announced.

Russell Mainardi, 51, of Hyland Mills, New York, admitted that he knowingly permitted mortgage loans to be made to borrowers based upon false information submitted to the banks. He then directed commissions and proceeds from the real estate transactions to a company bank account that he used to hide the income from the IRS.

Mainardi pleaded guilty to a one-count Information charging tax evasion, which carries a maximum statutory penalty of five years in prison and a \$250,000 fine. Senior U.S. District Judge Dickinson R. Debevois took Mainardi's plea and scheduled sentencing for April 9.

Although Mainardi pleaded guilty to only one count of tax evasion for tax year 1999, the Information to which he pleaded also describes tax evasion for tax year 2000. All of that conduct, including the mortgage fraud, will be considered by the judge at sentencing.

In pleading guilty to an Information, a defendant waives the right to have his case presented to a grand jury for indictment and instead pleads directly to charges presented by the government.

Christie credited Special Agents of the Internal Revenue Service Criminal Investigations Division, under the direction of Special Agent in Charge Patricia J. Haynes; Postal Inspectors with the U.S. Postal Inspection Service, under the direction of Postal Inspector in Charge Thomas C. Van de Merlen; and Special Agents of the FBI Newark Division, under the direction of Special Agent in Charge Leslie G. Wiser, Jr., with the investigation of Mainardi.

The case was prosecuted by Assistant U.S. Attorney Thomas R. Calcagni.

Defense Counsel:
Arthur P. Zucker, Esq.
Ferro Labella & Zucker L.L.C.

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